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# INFORMATION REPORT

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**SUBJECT** Administration of South Kiangsu Province

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1. South Kiangsu Province is governed under the Communist regime through the South Kiangsu Administrative Office. It is headed by KUAN Wen-wei (管文蔚)\*, who is also chairman of the Military Control Commission of Wuhsi (120-18, 31-35). Deputy heads are LIU Hsiu-ping (劉秀平) and CH'EN Kuo-tung (陳國棟)\*.
2. The new administration has abolished the ho chia (保甲) system and replaced it with a hsiang (鄉 sector) and ts'un (村 village) system\*\*. Three ts'un form a hsiang, three hsiang a chiu (區 district), and each unit possesses its own government, staffed by Communist workers appointed by the provincial authorities. Communist control has been tightened over the hsien, and the number of districts in each hsien has been reduced. Former hsien and district boundaries have been considerably re-arranged.
3. In 1948, taxation was levied in kind as determined by the local Communist officials; the amount was approximately 1,000 shih (1 shih is 72 kilograms) from each hsiang\*\*\*. The land tax in 1949 was originally 19 catties of wheat and 38 catties of beans per mou. With the second rice crop, an additional levy of 200 catties of rice and 400 catties of beans, amounting to nearly half the harvest, has been demanded of each hsiang. This tax had not been collected by early November 1949. Additional taxes at the harvest season include two piculs of rice on each ox, forty percent of the value of each pig, and 10,000 People's Currency (PC) for each bicycle. There is also a heavy tax on wine, although drinking in many areas is prohibited.
4. To convince the farmers of the necessity of paying produce taxes, South Kiangsu authorities sent propaganda workers into the rural areas to show how food must be provided for Communist soldiers in their fight to liberate China. Propaganda cartoons, such as a drawing in a Shanghai paper of a truck full of rice and wheat bound for the USSR and a truck full of petroleum and paper returning from there to China, are also used in popularizing relations between China and the USSR. Communist authorities in Wuhsi commandeered 100,000 shih of polished rice, in Changchou (Wuchin, 119-58, 31-46) 30,000 shih, and in Soochow 50,000 shih.
5. Heavy taxes have caused economic difficulties, but shops and factories are

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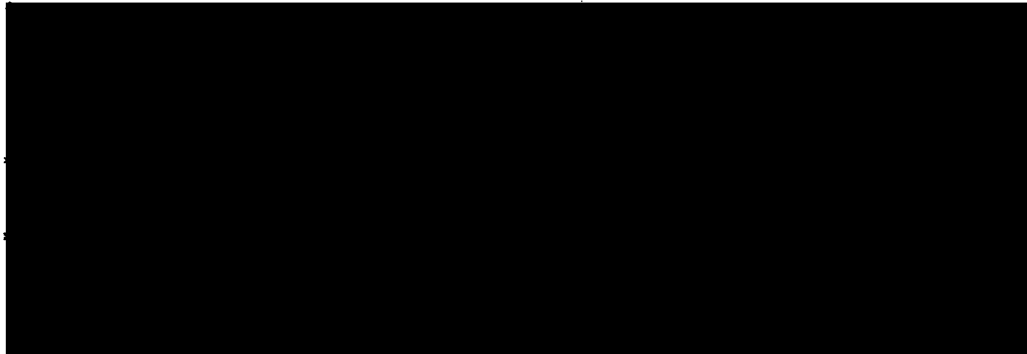
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allowed neither to close nor to discharge their employees. Purchasing power has diminished also. The only legal tender is People's Currency (PC), and only silver dollars, at the rate of one to 1,600 PC, can be exchanged at banks. Both silver and gold are strictly prohibited and are confiscated if found. Gold has disappeared from the market.

6. All universities in the area have been closed except Chiang Nan (江南) University in Wuhai hsien, but the primary and middle schools are functioning as usual. The curriculum, however, has become completely Communist and comprises mainly the theories of Marx, Lenin, and MAO Tse-tung. All teachers, before being employed, are required to pass tests on Communist principles and ideology. During the summer vacation of 1949, two-week training classes for teachers were carried on in various hsien, with emphasis on reading thoroughly or even memorizing the editorials of the Hsin Hua (新華 New China) Daily News. As part of their course, the teachers were also required to do Communist propaganda work in the villages under supervision of Communist Party members.
7. Although conscription has not been officially enforced, young people in many hsien are volunteering for the army as a result of Communist intimidation.

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